

March 5, 2002

Via Electronic Filing with Attachments

Mr. William Caton
Office of the Secretary
Federal Communications Commission
445 Twelfth Street, S.W. TW-A325
Washington, D.C. 20554

Re: Ex Parte Notice, CS Docket 01-348

Dear Mr. Caton:

On Monday, March 5, 2002, Ted Lodge and Cheryl Crate of Pegasus Communications, and Kathleen Wallman and Brett Tarnutzer of Wallman Strategic Consulting LLC, met with the members of the FCC's merger review team listed below. The meeting was scheduled at the request of FCC staff in order to provide follow-up information from the January 28, 2002 ex parte meeting with the merger review team regarding Pegasus' rights to distribute DIRECTV service. The attached slides provide detail on the substance of the meeting.

Sincerely,

/s/ Brett Tarnutzer

Brett Tarnutzer
Wallman Strategic Consulting, LLC

cc: Marcia A. Glauberman
David Sappington
Julius Knapp
Amy Brett
JoAnn Lucanik
Donald Stockdale

Neil A. Dellar
C. Anthony Bush
Marcia A. Glauberman
Marilyn J. Simon
Joel Rabinovitz
Adam Candeub

The EchoStar/ DIRECTV Merger

Pegasus' Relationship with DIRECTV

DIRECTV: Infrastructure and Programming

- All platform infrastructure (signal collection & processing, uplinking, launch & operation of satellites & terrestrial networks)
- Selection of programming, pricing of programming from suppliers
- Selection of markets for local TV
- Picture quality, conditional access
- Selection and implementation of advanced services (HDTV, PVRs, ITV, EPGs, PPV)
- Technical aspects of subscriber management (adds, drops, PPV authorizations, raw billing records)

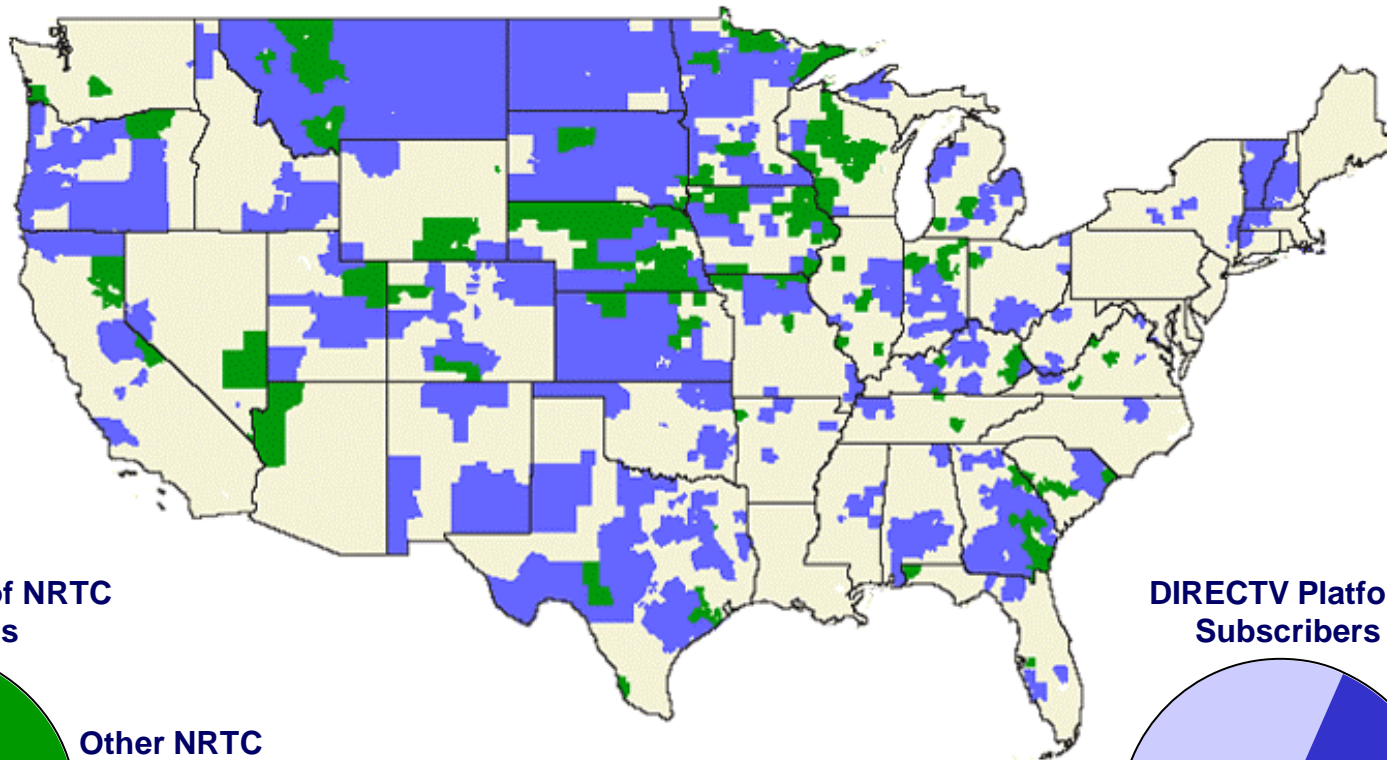
Pegasus: Marketing, Sales, and Customer Care

- Sales & marketing
- Package pricing and promotions
- Dealer & installation subsidies
- Advertising
- Retail distribution network relationships
- Dealer support
- Customer billing and collections
- Customer service and support
- Pays DIRECTV for services:
 - Programming
 - Local-into-local (if available on Pegasus market)
 - Franchise fee
 - Infrastructure costs such as security and satellite operations

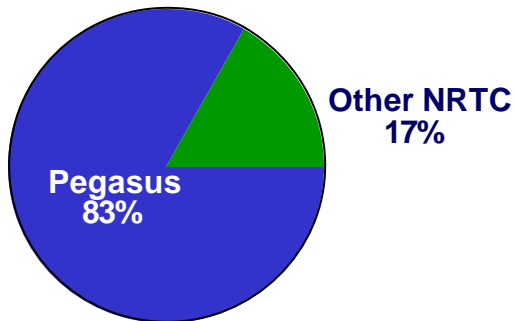
The EchoStar/ DIRECTV Merger

The *DIRECTV* Universe

- Pegasus
- Other NRTC Co-op Members
- DIRECTV



Pegasus Share of NRTC Households



DIRECTV Platform Subscribers

